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# THE AGRICULTURAL • SITUATION •

AUGUST 1943

*A Brief Summary of Economic Conditions*

Issued Monthly by the Bureau of Agricultural Economics, United States Department of Agriculture

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## IN THIS ISSUE

	Page
Commodity Reviews.....	Bert Johnson 2
Income of Farm Families.....	Dorothy S. Brady and Margaret Jarman Haygood 9
Country Bank Deposits.....	Norman J. Wall 11
Crop Production.....	Joseph A. Becker 14
Feed Outlook.....	Malcolm Clough 16
U. S. Crop Corps.....	Catherine Carmody 18
Farm Machine Work.....	A. P. Brodell 21

**T**OTAL production of food this year probably will surpass the 1942 record by around 4 percent and will be 31 percent larger than the average for 1935-39, it is estimated. This outlook is based on the July crop report, assuming average weather for the rest of the year and a continuation of the present trend in livestock production. Food crops probably will be 10 percent smaller than in 1942, but total production will be larger because of increased livestock production. Production of food-crops, though smaller than last year, will be about 11 percent above the 1935-39 average. Total food crop acreage in cultivation this year will be about 3 percent larger than that in 1942, the decline in food-crop production resulting from a decrease in yield per acre. \* \* \* Seventy-five percent of the country's food production for this year has been allocated for civilian use, about 13 percent for the military forces, 10 percent for lend-lease shipment, and the rest for territorial shipments and other special needs. Civilian per capita consumption for 1943 as a whole, it is estimated, will be about 4 percent larger than the 1935-39 average, but will be 6 percent less than the record consumption in 1941.

# Commodity Reviews

## DEMAND: Incomes

**C**ONDITIONS point to continued strong domestic consumer demand for farm products. Factory pay rolls, total and per employed worker, continue to set new high records. Total nonagricultural income payments, although not rising as fast as factory pay rolls, also are reaching new highs.

The Federal withholding tax on income will reduce the amount of income consumers will be able to spend. Even after taxes have been deducted, consumer income in the last half of this year will be slightly larger than in recent months and in the absence of controls would be sufficient to maintain prices of farm products at higher levels than at present.

Increase in demand caused by higher consumer incomes has not occurred uniformly in all groups of the population, for wages of some groups are much higher than those of others. The wage increases from January 1941 to April 1943 range from \$2.70 per week in retail trade to \$39.42 per week in water transportation. In the latter industry, bonuses for entering war zones are responsible for a large share of the increase in wages. Except for water transportation, the largest dollar increase, \$22.12 per week, was in shipbuilding. In general, the increases in dollars per week have been the greatest in mining and durable manufactures and least in the service industries, and the percentage increases have been greater for the industries which in January 1941 were in the upper half of the wage range than for industries in the lower half.

## LIVESTOCK: Marketings

**H**OG production this year will be much the largest to date. The spring crop numbered 74 million head, 22 percent above the 1942 spring crop, and about 45 percent above the average total of spring pigs saved in the

10 years prior to the 1934 drought. According to the June pig survey, the number of sows indicated to farrow in the 1943 fall season was 25 percent larger than a year earlier. If the number of pigs saved per litter is about average, the fall crop will be about 53 million head. Because of the heavy drain being placed upon feed resources, the War Food Administrator has asked farmers to hold fall pig production in line with feed supplies.

Even if the fall crop falls below the 53 million head total now indicated, the total crop for 1943 will be substantially larger than the 105 million-head record last year. On the basis of this large increase in the number of hogs raised, slaughter supplies of hogs in the marketing year beginning next October will be much above those of any previous year. Because of the short supply of feed relative to numbers of livestock, average weights of hogs in the 1943-44 marketing year may be considerably lighter than this year.

Hog marketings picked up sharply in May and in June, reflecting the large increase in the 1942 fall pig crop over that of a year earlier and the delayed movement of late spring and summer pigs which had been fed to exceptionally heavy weights. There have been some reports in recent weeks of sharply increased marketings of bred sows and unfinished pigs. Thus far, however, there is little indication that hogs are being liquidated because of the tight feed supply situation.

Cattle marketings declined sharply in June, reflecting uncertainty on the part of producers as to the final effect of the price roll-back and the subsidy program upon prices of live cattle. Inspected slaughter for the month totaled 9 percent less than in May and 32 percent less than in June last year. Despite this reduction, the outlook is for increased marketings later this summer and fall. With a large num-

ber of cattle on ranges and in the Corn Belt and with feed supplies relatively scarce, marketings in the last half of the year may be substantially larger than the usual proportion of the year's total.

## FEED GRAINS: Supply

**T**HE feed grain supply for 1943-44 probably will be about 143 million tons on the basis of August 1 conditions. This total is 11 million tons smaller than the record last year, but 23 million tons larger than the 1937-41 average. Included in the supply are 400 million bushels of wheat, which could be made available for feed without bringing the carry-over next year below 250 million bushels. It includes also 40 million bushels of rye, expected imports of oats, barley, and feed wheat from Canada, and the domestic supply of four principal feed grains.

The corn supply in 1943-44 is expected to be about 3,275 million bushels, 393 million bushels smaller than the supply last year, but 224 million bushels larger than the 1937-41 average. The oats supply is indicated to be 7 percent smaller than last year, and the indicated barley supply 9 percent smaller. Allowing for further increase in livestock this year, the supply of feed per animal unit in the 1943-44 marketing year may be about 15 percent smaller than in 1942-43 and 10 percent below the 1937-41 average. However, disappearance per animal unit would be above this average if stocks at the end of the marketing year are reduced to a minimum.

Corn disappearance for the second quarter of 1943 was 15 percent larger than a year earlier and oat disappearance was 18 percent larger. Stocks of corn on July 1 totaled 827 million bushels, 30 million bushels less than on July 1 a year ago. A carry-over next October 1 of about 400 million bushels is in prospect.

Corn receipts at primary markets continue small. Commercial stocks of corn were reduced to 9.6 million bushels early in July, the lowest level

in recent years. Cash market prices of oats and barley increased 6 to 10 cents per bushel from the middle of June to the middle of July, reflecting increased demand for these grains because of reduced corn movement. Prices of byproduct feeds remain at the ceilings with a strong demand for available supplies

## FATS, OILS: Production

**P**RODUCTION of oil from cottonseed, peanuts, soybeans, and flaxseed may be somewhat greater in 1943-44 than in the preceding year. Cottonseed oil production may be less than in 1942-43. An increase of 1.4 million acres is indicated in the flaxseed acreage for harvest in 1943, with production estimated at 54 million bushels compared with 40.7 million bushels last year. The amount of linseed oil produced from domestic seed in 1943-44 may be about 200 million pounds above that of a year earlier. Soybean acreage is expected to be 8.5 percent larger than last year. Whether oil production will be increased in the same proportion, is uncertain, however, as the final acreage for harvest and yield per acre are unknown. Peanut oil production may increase somewhat, assuming an average yield of peanuts per acre and the same utilization of peanuts for seed and food in 1942-43.

Utilization of fats and oils, including "foots," by the United States soap industry in 1942 totaled 1,987 million pounds, 12 percent less than in the peak year 1941. Apparently there was a substantial accumulation of stocks of soap by consumers and dealers in 1941 under the stimulus of rising prices and incomes. Utilization of coconut and palm oils in soap declined 418 million pounds in 1942, reflecting curtailed imports. Use of inedible tallow and greases, which were in relatively plentiful supply, increased 161 million pounds.

Most of the increase in domestic demand since 1941 has come from the combination of expanded employment



and higher wages in our heavy industries. And it is this high and still rising level of demand by domestic consumers which is responsible for the increase in prices of foods and other items in the cost-of-living index. It is true that military and lend-lease requirements have risen sharply, but, as far as food is concerned, these requirements have not done much more than offset the effect of increased production. Military and lend-lease disappearance of food was negligible in 1940 but accounted for 4 percent of our output in 1941 and 12 percent in 1942. The volume of agricultural food production, however, increased more than 3 percent from 1940 to 1941 and another 11 percent from 1941 to 1942.

## DAIRY: Outlook

**A**LTHOUGH total milk production during the first half of this year was about the same as in the corresponding period last year, production in the latter half may be 1 to 3 percent less than in the corresponding period of 1942. Among conditions pointing to a greater than seasonal decrease in milk production in the rest of 1943 are: Constant price ceilings, tending to stimulate production during the spring and summer; possible lack of feed in eastern and southern deficit areas; and reduced supply of high-protein feeds per animal unit.

Consumption of fluid milk and cream in the second quarter of 1943 is estimated at 5 percent above that in the preceding quarter and 10 percent above that in the second quarter of 1942. Unless restricted in some way, fluid-milk consumption will continue at an unusually high level. Because total milk production may be smaller than a year earlier, and consumption of fluid milk has increased, production of manufactured dairy products in the remainder of the year will remain considerably smaller than in the corresponding months of 1942. Owing

to the unusual seasonal pattern followed last year, however, the percentage decrease in production of American cheese and evaporated milk may be somewhat smaller than during the first half of the year.

Butter and cheese stocks have continued to increase. Reports indicate that much evaporated milk has accumulated since rationing started in June. These stocks will be needed during the low production season of winter. Effective June 20, maximum prices for industrial casein have been increased 3 cents per pound. This increase should encourage the sale of skim milk off farms for use in producing casein, especially in areas where casein is the principal product manufactured from skim milk. Import permits for about 7 million pounds of casein, equivalent to 2 to 3 months of domestic production, recently were granted by the War Production Board.

## POULTRY, EGGS: Marketings

**F**ARM marketings of poultry, still on the upswing, will be larger in the remainder of 1943 than the record of a year earlier. Laying flocks were 14 percent larger in June than in June last year and on July 1 the number of young chickens on farms, at 729 million head, was 20 percent larger than on July 1, 1942. The increase in chickens raised will allow a substantial further large increase in numbers of layers and egg production next year. In view of the prospective tight feed situation, however, any increase in numbers of layers for 1944 probably will be smaller than usual relative to the increase in chickens raised.

The demand for poultry continues to exceed the supply, although marketings have increased greatly in recent weeks. Average price to farmers for chickens in mid-June was 25.1 cents per pound, compared with 18.5 cents a year earlier.

Production of eggs has fallen from the peak, but is much above the record of last year. Production is expected to fall off seasonally until the low of November. In early July, market supplies of shell eggs began to run short in some Eastern markets, even though some shell eggs were being withdrawn from storage. Combined holdings of shell and frozen eggs in storage on July 1 were the largest on record.

In early July, wholesale prices of eggs had increased from mid-June and the spread between wholesale prices and ceiling prices to retailers was narrowed further. The Office of Price Administration issued on July 5 ceiling prices for wholesale grades of eggs that were somewhat below prevailing levels. This announcement, effective July 12, brought some reduction in wholesale prices. But in mid-July wholesale egg prices averaged about the same as in mid-June and from 15 to 25 percent higher than in mid-July 1942. Mid-June average prices received by farmers for both eggs and chickens were the highest on record for that month except for 1919 and 1920.

## WHEAT: Prospects

THE total 1943 wheat crop was indicated on August 1 to be 835 million bushels. This is 44 million bushels more than indicated a month earlier, 96 million bushels above the 1932-41 average, but 146 million bushels below the large crop of last year. Winter wheat production was estimated at 534 million bushels, and spring wheat at 301 million bushels, compared with 703 and 278 million bushels respectively for 1942.

The wheat carry-over of about 618 million bushels on July 1, plus the indicated 1943 crop, adds up to a prospective supply without imports of almost 1.45 billion bushels. Disappearance in 1943-44, expected to total 1.2 billion bushels, would reduce the

carry-over on July 1 next year to less than 300 million bushels. The expected disappearance would set an all time record. The 618 million-bushel carry-over includes about 215 million bushels of wheat owned by the Commodity Credit Corporation and 120 million bushels still under loan.

Disappearance in 1942-43 was the largest to date. It is estimated that wheat for food amounted to about 535 million bushels compared with 493 million bushels the previous year, and nonfood items and exports about 465 million bushels compared with 207 million bushels a year earlier. The large increase in nonfood uses reflects the large quantities used for feed and alcohol.

Wheat and rye acreage goals for 1944 were announced by the War Food Administrator on July 13. The wheat goal, at 68 million acres, is 26 percent above the 54.2 million acres seeded for the 1943 crop, but slightly below the 1932-41 average, 68.9 million acres. In 1937 there were 80.8 million acres, the largest on record. It was suggested that the acreage of rye be maintained in areas where rye will produce more per acre than any alternative crop.

The 1944 wheat goal calls for seeding approximately as large an acreage as in the record year of 1937 except in the North Central and Eastern States where other crops will contribute more to maximum food output. Compared with this year, the wheat goal provides for substantial expansion of acreage in the Great Plains States, from Montana and North Dakota to Texas; somewhat smaller increases in the Pacific Northwest; and about the same or slightly larger acreages in other areas. In broad terms, the War Food Administrator advised farmers to plant as much wheat as can be grown after reserving sufficient land for expanding more urgently needed crops and without departing from sound farming practices.

## COTTON: Acreage

THE estimated 21,995,000 acres of cotton in cultivation on July 1 constitutes the smallest acreage since 1895. There were 23,302,000 acres cultivated in 1942 and 23,130,000 acres in 1941. The cotton acreage goal for 1943 is 22,500,000 acres.

Slight increases in acreage occurred in both North Carolina and Mississippi. South Carolina, Georgia, Tennessee, Alabama, Arkansas, Louisiana, and Texas made reductions of from 1 to 9 percent, and in other States reductions ranged from 10 to 26 percent. With abandonment and yields equal to the most recent 5-year average, production this season would be about 10.7 million running bales, 1.7 million less than last year.

Acreage in American-Egyptian cotton this season is estimated at 146,400 acres, compared with 192,900 acres last year. This reduction was shared by the 4 States in which American-Egyptian cotton is grown.

## Index Numbers of Prices Received and Paid by Farmers

[1910-14=100]

Year and month	Prices received	Prices paid, interest, and taxes <sup>1</sup>	Buying power of farm products <sup>2</sup>
1942			
January.....	149	145	103
February.....	145	147	99
March.....	146	150	97
April.....	150	150	100
May.....	152	151	101
June.....	151	151	100
July.....	154	152	101
August.....	163	152	107
September.....	163	153	107
October.....	169	154	110
November.....	169	155	109
December.....	178	156	114
1943			
January.....	182	157	116
February.....	178	159	112
March.....	182	160	114
April.....	185	162	114
May.....	187	163	115
June.....	190	164	116
July.....	188	165	114

<sup>1</sup> Revised.

<sup>2</sup> Ratio of prices received to prices paid, interest, and taxes.

## Prices of Farm Products

[Estimates of average prices received by farmers at local farm markets based on reports to the Bureau of Agricultural Economics. Average of reports covering the United States weighted according to relative importance of district and State]

	5-year average		July 1942	June 1943	July 1943	Parity price July 1943
	August 1909-July 1914	January 1935-December 1939				
Wheat (bushel).....cents..	88.4	183.7	94.6	124.00	126.00	146.00
Corn (bushel).....do.....	64.2	169.1	83.1	106.00	108.00	106.00
Oats (bushel).....do.....	39.9	134.0	43.9	64.8	65.6	65.8
Rice (bushel).....do.....	81.3	174.2	170.6	180.00	177.00	134.00
Cotton (pound).....do.....	12.4	110.29	18.55	19.96	19.60	20.46
Potatoes (bushel).....do.....	69.7	171.7	124.5	188.00	167.00	1.21
Hay (ton).....dollars.....	11.87	18.87	9.06	12.20	11.90	19.60
Soybeans (bushel).....do.....	2.96	1.95	1.62	1.73	1.70	1.58
Peanuts (pound).....cents..	4.80	13.65	5.59	7.01	7.15	7.92
Apples (bushel).....dollars..	.96	1.90	1.52	2.70	2.55	1.58
Oranges, on tree, per box.....do.....	1.81	1.11	1.55	2.59	2.74	1.92
Hogs (hundredweight).....do.....	7.27	8.38	13.78	13.60	13.20	12.00
Beef cattle (hundredweight).....do.....	5.42	6.56	10.70	12.80	12.60	8.94
Veal calves (hundredweight).....do.....	6.75	7.80	12.43	14.20	13.90	11.10
Lams (hundredweight).....do.....	5.83	7.79	11.81	13.50	13.30	9.70
Butterfat (pound).....cents..	26.3	29.1	37.6	49.2	49.2	40.5
Milk, wholesale (100 pound).....dollars..	1.60	1.81	2.42	3.02	3.05	2.46
Chickens (pound).....cents..	11.4	14.9	18.7	25.1	25.3	18.8
Eggs (dozen).....do.....	21.5	21.7	29.5	35.2	36.3	32.3
Wool (pound).....do.....	18.3	23.8	39.8	41.3	41.5	30.2
Tobacco:						
Maryland, type 32 (pound).....do.....	22.9	17.6	31.0	57.0	59.0	24.3

<sup>1</sup> Revised.

<sup>2</sup> Comparable base price, Aug. 1909-July 1914.

<sup>3</sup> Comparable base price, Aug. 1919-July 1929.

<sup>4</sup> Adjusted for seasonality.

<sup>5</sup> Preliminary.

<sup>6</sup> Base price crop years 1919-28.



## TRUCK CROPS: Production

**C**OMMERCIAL truck crops for fresh shipment remain smaller than a year ago. Production for fresh shipment is indicated to be about 11 percent less than in 1942. Acreage in these crops is estimated at 9 percent smaller than last year. Although below a year earlier supplies of the major vegetables, with the exception of celery, cauliflower, and spinach, will be larger during July and August than they were in June. However, the snap bean, carrot, cabbage and tomato crops are the only ones expected to be in materially larger supply this summer than last. Cantaloup, cauliflower, celery, cucumber, onion, and watermelon crops are expected to be much smaller than a year ago.

Planted acreage of vegetables for processing (excluding asparagus, carrots, and spinach in States other than California and Texas) is estimated at 2,039,540 acres. This total is 1 percent larger than last year and 56 percent above the 1932-41 average.

Estimates of planted acreage of individual vegetable crops for processing in 1943, compared with 1942, indicate the following increases: Snap beans, 18 percent; beets, 7 percent; sweetcorn, 6 percent; kraut cabbage, 4 percent; and peas, 2 percent. The following decreases are expected: cucumbers for pickles, 29 percent; California and Texas spinach, 23 percent; lima beans, 7 percent; tomatoes, 2 percent; and pimientos, 1 percent. California and Texas spinach production (for processing) this season is estimated at 41,400 tons, or 33 percent below production of last year. Snap bean production, despite an 18 percent acreage increase, probably will be only about 7 percent larger than last season, because of lower yields.

## FRUITS: Outlook

**O**UTLOOK for fruit crops this year is much less favorable than last year. Production of the principal deciduous fruits, including grapes, will be about 17 percent less than last year.

Decreases in crops for 1943, compared with production in 1942, are indicated as follows. Peaches down 36 percent; pears, 22 percent; sweet cherries, 16 percent; sour cherries, 56 percent; apricots, 53 percent; and plums, 8 percent. Increases, however, are indicated for some crops, including a 11-percent increase for grapes, 12 percent for California prunes, and 10 percent for Washington, Oregon, and Idaho prunes. August 1 production estimates for the commercial apple crop indicate a crop 28 percent smaller than last year. Citrus production may be about as large in 1943-44 (crops produced from the bloom of 1943 and marketed in the fall of 1943 and in 1944) as in 1942-43. Total fruit production will be about 11 percent less than in 1942-43.

By July 3, shipments of this season's deciduous tree-fruit and grape crop had totaled 6,063 cars, compared with 6,415 cars shipped during the period last season. This total does not take into account the heavier loadings per car this year. Shipment of cherries and peaches to fresh market has been much smaller than a year ago, but plum, prune, and grape shipments have been larger. With the strawberry season ending, the carlot shipments thus far have totaled only 2,500 cars, or about two-fifths the total of last season.

Interstate movement of Pacific coast pears into the fresh market is to be limited this season, in order to obtain needed supplies in processed form.

In view of crop prospects and restrictions on shipments for fresh use, supplies of deciduous fruits on the fresh market during July-August can be expected to be materially smaller, but citrus fruits will be about as plentiful as in 1942.

## POTATOES: Record

**T**HE potato crop this year is expected to set a new record. Acreage for harvest is estimated at 3,363,100 acres, nearly a fourth larger than in 1942. The year's crop is forecast at about 443 million bushels.

Compared with last year, production is expected to be 25 percent larger in the 12 early States, 13 percent larger in the 7 intermediate States, and 19 percent larger in the 30 late States.

Harvesting is now finished in the second group of early States and about completed in the intermediate States. Large crops in these areas have brought a temporary glut of the market. To relieve this situation, the Government had purchased about 6,600 cars of potatoes through August 7—primarily in North Carolina, Arkansas, Oklahoma and Virginia.

### SWEETPOTATOES: Crop

**S**WEETPOTATO production this year probably will run to 81 million bushels, 24 percent larger

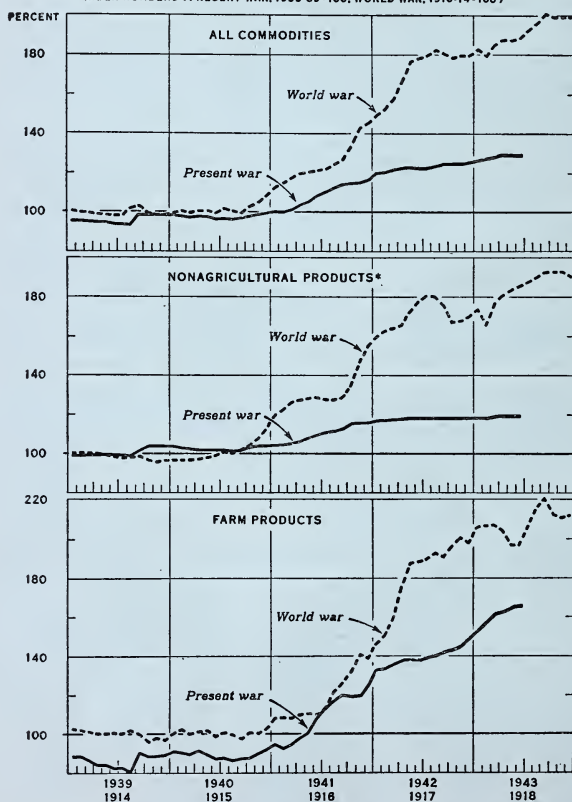
than the crop of 1942, and one of the largest on record. Acreage planted this year is estimated at 923,000 acres, or 30 percent more than in 1942. Growing conditions have been favorable. Shipments in sizable volume began in the latter part of July. Prices of sweetpotatoes have declined since early June but remain more than twice those of a year ago.

### RICE: Production

**A**RICE crop of 71.8 million bushels was indicated July 1, which is 8 percent above the previous record crop of 66.4 million bushels produced in 1942, and 52 percent above the 10-year (1932-41) average of 47.3 million bushels.

WHOLESALE PRICES OF ALL COMMODITIES, NONAGRICULTURAL PRODUCTS, AND FARM PRODUCTS, UNITED STATES, DURING TWO WAR PERIODS

INDEX NUMBERS (PRESENT WAR, 1935-39=100; WORLD WAR, 1910-14=100)



BASED ON DATA FROM B. L. S.

\*ALL COMMODITIES EXCEPT FARM PRODUCTS AND FOODS

# INCOME OF FARM FAMILIES

THE increase in farm income in 1942 over 1941, the greatest in any year in the Nation's history, brought the aggregate net cash farm income of operators to the highest point ever reached. Of course, to find the meaning of these annual totals in terms of farm family welfare requires analysis of the distribution of farm income in these two years.

On the basis of information secured from the Rural Study of Family Spending and Saving in Wartime (Bureau of Human Nutrition and Home Economics) relating to distribution of income among farm families during 1941 and estimates of changes in the overall farm income aggregates made by the Bureau of Agricultural Economics, the changes in distribution of income of farm families from 1941 to 1942 have been estimated. These estimates relate only to the families that operated farms and received income from the sale of farm products, excluding the families of farm wage workers who were not farm operators.

Half of the farm operator families in 1941 received less than \$760 net cash income from all sources, it appears, including net receipts from the

operation of the farm, earnings from employment off the farm, rents, pensions, and other income. In 1942, the income point which divides the families into equal numbers was moved to \$1,320. Thus families at or near the middle of the income scale had nearly a 75 percent increase in net cash income on the average, a gain which was only in part offset by a rapid rise in prices paid by farmers for commodities used in family living.

FOR the families above and below the middle range, the data in table 1 indicate the estimated increase in the income received in 1942 over 1941. Hardly less striking than the general rise in level for each tenth of the families is the great increase in spread of families over the income scale. Whereas the middle 60 percent of the families in 1941 received incomes varying within a range from \$260 to \$1,670, the corresponding range in 1942 was from \$430 to \$2,740. Thus while the level of each group was increased, the absolute differences in income among the income groups were greatly widened.

TABLE 1.—Income From All Sources: Share of Aggregate Net Cash Income Received By Each Tenth of the Nation's Farm Operator Families, 1941 and 1942

Proportion of families (tenths)	1941 <sup>1</sup>		1942 <sup>2</sup>		1942 income as percent of 1941 income
	Income range	Share of aggregate	Income range	Share of aggregate	
	Dollars	Percent	Dollars	Percent	Percent
Highest.....	2,325 and over.....	39.3	3,730 and over.....	37.0	150
Ninth.....	1,670-2,324.....	16.5	2,740-3,729.....	16.2	156
Eighth.....	1,280-1,669.....	12.1	2,140-2,739.....	12.2	160
Seventh.....	985-1,279.....	9.5	1,660-2,139.....	9.6	161
Sixth.....	760-984.....	7.0	1,320-1,659.....	7.1	161
Fifth.....	575-759.....	6.3	930-1,319.....	6.4	164
Fourth.....	405-574.....	4.2	705-929.....	5.0	190
Third.....	260-404.....	3.0	430-704.....	3.8	196
Second.....	120-259.....	1.8	130-429.....	2.1	202
Lowest.....	Under 120.....	.3	Under 130.....	.6	328

<sup>1</sup> Based on data from the Rural Study of Family Spending and Saving in Wartime conducted by the Bureau of Human Nutrition and Home Economics.

<sup>2</sup> Percentage change from 1941 in aggregate and in number of farm operator families based on estimates of the Bureau of Agricultural Economics adjusted for comparability of concepts used in the family expenditure studies; location of decile points estimated on the basis of an analysis of data on changes in distributions of income of farm operator families from the Consumer Purchases Study for 1935-36 and the Study of Family Spending and Saving in Wartime for 1941.



Although there was a greater income spread between farm families of the lowest group and those of the highest, the percentage increase in the income of the lower groups was greater than in the income of the upper. While the lower half of the families received 15.4 percent of the total income in 1941, they received 17.9 percent of the much greater aggregate in 1942. In fact, all groups save the upper 20 percent received a larger share of the 1942 income than of the 1941. Although its absolute spread was increased, nevertheless, the 1942 distribution of income appears to have been relatively more favorable to the lower income groups.

**T**HE direction of changes in distribution of total net cash income held also for the distribution of income derived from farming alone (table 2), and in general, each tendency was emphasized. The median family income derived from farming more than doubled, increasing from \$440 to \$980. The income range from \$65 to \$1,310, including the middle 60 percent in 1941, increased to a range of \$380 to \$1,815 in 1942. Most striking of the changes is in the proportion of the total farm income which went to the lower 50

percent of the farmers. In 1941 this group received only 7.9 percent of the aggregate net cash income from farming, while in 1942 it is estimated that their share more than doubled, reaching 16.4 percent. During both years these families received a greater proportion of their income from nonfarm sources than did the upper 50 percent. Income from nonfarm sources represented a considerably larger percentage of their total net cash income in 1941 than in 1942, although its absolute value was greater in 1942.

Some of the general upward shift in per family farm income may be explained by the decrease in the number of farm families from 1941 to 1942 although the primary factors were the sharp increase in prices and sales of farm products. A larger than proportionate share of the decrease in number of families probably occurred among families at the lower end of the income scale. Competing employment opportunities led a relatively larger number of the smaller operators to give up farming for nonfarm jobs. Some of them left their farms and moved to towns or cities, resulting in many cases in consolidation or abandonment of farming units. In other cases the operation of smaller units

**TABLE 2.—Farm-Derived Income: Share of Aggregate Net Cash Income Received By Each Tenth of the Nation's Farm Operator Families, 1941 and 1942**

Proportion of fam- ilies (tenths)	1941 <sup>1</sup>		1942 <sup>2</sup>		1942 income as percent of 1941 income
	Income range	Share of aggregate income	Income range	Share of aggregate income	
	<i>Dollars</i>	<i>Percent</i>	<i>Dollars</i>	<i>Percent</i>	<i>Percent</i>
Highest.....	1,950 and over.....	45.0	2,660 and over.....	36.9	140
Ninth.....	1,310-1,949.....	18.8	1,815-2,659.....	15.5	141
Eighth.....	920-1,309.....	13.5	1,450-1,814.....	12.0	152
Seventh.....	660-919.....	8.4	1,220-1,479.....	9.5	193
Sixth.....	440-659.....	7.0	980-1,219.....	8.7	212
Fifth.....	295-439.....	3.9	780-979.....	6.0	262
Fourth.....	175-294.....	2.5	590-779.....	5.4	354
Third.....	65-174.....	1.1	380-589.....	4.0	571
Second.....	Under 65.....	.4	185-379.....	1.6	-----
Lowest.....	Net loss.....	-----	Under 185.....	.4	-----

<sup>1</sup> Based on data from the rural Study of Family Spending and Saving in Wartime conducted by the Bureau of Human Nutrition and Home Economics.

<sup>2</sup> Percentage change from 1941 in aggregate and in number of farm operator families based on estimates of the Bureau of Agricultural Economics adjusted for comparability of concepts used in the family expenditure studies; location of decile points estimated on the basis of an analysis of data on changes in distributions of income of farm operator families from the Consumer Purchases Study for 1935-36 and the Study of Family Spending and Saving in Wartime for 1941.



was discontinued when the operator took on a full-time nonagricultural job, even though the farm home continued to be the family's residence.

The changed income situation is unquestionably favorable to the welfare of farm families as a whole. The income of every group increased by a greater percentage than the increase in farm family living costs and the income of lower groups increased proportionately more than that of higher groups. The situation affords no basis for complacency, however, as to the present income situation of farm families. Half of the families of farm operators still receive a total net in-

come from all sources of less than \$1,800, even when some \$400 is added to net cash income as an estimate of the value of housing and food provided by the farm. In spite of certain changes favoring the lower group, the upper 10 percent of the families received 37 percent of the aggregate net cash income derived from farming in 1942, while the lower 10 percent received only 0.6 percent.

DOROTHY S. BRADY,  
*Bureau of Human Nutrition and  
Home Economics.*

MARGARET JARMAN HAGOOD,  
*Bureau of Agricultural Economics.*

## COUNTRY BANK DEPOSITS

THE current high level of farm income has been accompanied by a large accumulation of unused farm purchasing power in the form of deposits in banks serving agricultural areas. Demand deposits of country banks (members of the Federal Reserve System in places of less than 15,000 population) in 20 of the leading agricultural States were 67 percent higher in June 1943 than in December 1941. This recent increase is a continuation of the upward trend in effect since the banking holiday of 1933 except for a brief interruption following the depression of 1937. From an annual monthly average of 48.6 (1924-29=100) in 1933, demand deposits continued to increase until the predepression level was reached in 1936. After a decrease in the latter part of 1937-38, deposits resumed their upward trend and with the outbreak of the war in Europe, the rate of increase accelerated.

Demand deposits of country banks represent the accounts to which are credited most of the money receipts of agricultural communities and from which are debited most of the money disbursements. In a period of rapid expansion of bank credit in the economy as a whole, bank deposits in agricultural areas will grow as part of this general movement. Because the

average volume of business is larger for each individual operator, balances carried in the form of both bank deposits and cash tend to increase.

An additional factor tending to expand deposits in rural areas is the restricted outlets for the spending of farm income for equipment, improvements, and durable consumer goods. As indicated in the accompanying chart there has been in the past a close correlation between country bank demand deposits and rural retail sales. Since the early part of 1942, however, demand deposits have increased at a more rapid rate than rural retail sales (Department of Commerce index). To some extent this may reflect the unavailability in agricultural areas of many things which otherwise would have been purchased out of the increased income.

SINCE the middle of 1942, the increase in deposits has taken place at a more rapid rate in country banks than in the country as a whole. This indicates that the inflow of funds to agricultural communities has been in excess of the payments which these communities have been required to make outside. In part, this increase in net balance of payments may be the result of inability to purchase

needed equipment and supplies referred to above.

The increase in the volume of deposits has been greatest in the Corn Belt States as indicated in the accompanying table. Particular areas of individual States, however, have shown a much more rapid rate of increase than the average for the State as a whole. An analysis, by counties, of the increase in deposits during 1942 of all insured commercial banks, published in the July 1943 Federal Reserve Bulletin, indicates that "The largest percentage increases occurred in the tier of States running from southeastern New Mexico and the panhandle of Texas up through Oklahoma, Kansas, Nebraska, and the Dakotas. Large increases also appear on the coast of North Carolina, in Arizona and Utah, and scattered through the Southern and Western States. The large increases in western Kansas and some of the surrounding territory, which was known as 'dust bowl' country, may have been associated with the ample rainfall in the year 1942 combined

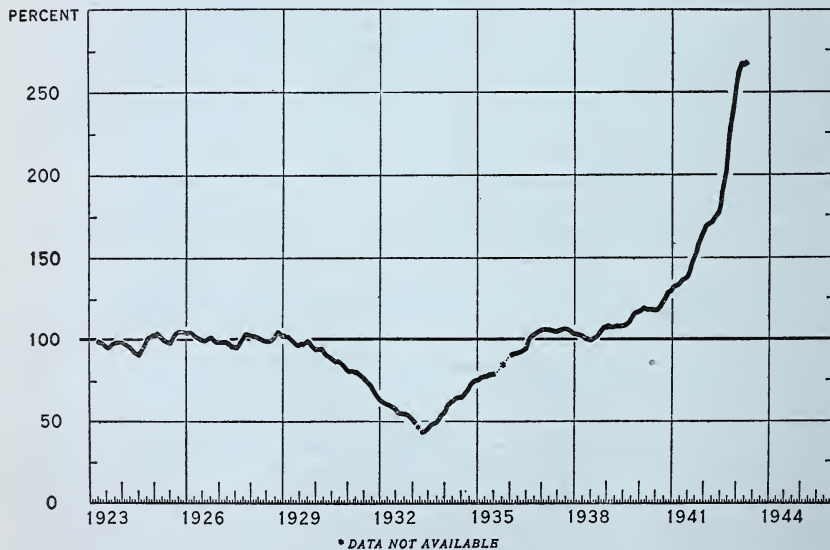
with greatly increased prices of agricultural products."

A large part of the increase in deposits of country banks reflects the building up of cash reserves by farmers. In 1942, net cash farm income was estimated at \$8,201,000,000, an amount almost twice as large as 1941 and the highest on record. According to a survey conducted by the Chicago Federal Reserve Bank in April of this year, bankers of the States of Illinois, Iowa, Indiana, Michigan, and Wisconsin estimated that approximately 32 percent of the increased net cash farm income was accumulated in increased bank balances and 8 percent in increased currency holdings. It was estimated also that 42 percent of the net cash farm income was used for the payment of mortgages and other debts, 13 percent for investment in War Bonds, and 5 percent for use in other ways.

**T**HE increase in farmers' holdings of deposits and currency and their investments in war bonds will provide

## DEMAND DEPOSITS OF COUNTRY BANKS IN 20 LEADING AGRICULTURAL STATES, 1923-43

INDEX NUMBERS (1924-29=100)



**Demand deposits of country banks, 1924 to date (Index 1924-29 = 100) <sup>1</sup>**

Year and month	Twenty of the leading agri- cultural States <sup>2</sup>	Seven Corn Belt States <sup>3</sup>	Eight cotton growing States <sup>4</sup>	Eight range States <sup>5</sup>
1924	96.6	100.1	98.3	96.1
1925	102.1	103.1	105.2	96.5
1926	101.6	102.3	104.7	98.9
1927	99.0	97.6	100.1	98.4
1928	101.7	99.7	98.7	106.6
1929	99.0	97.2	93.0	103.6
1930	89.4	90.7	77.2	91.3
1931	75.4	78.1	59.6	76.2
1932	57.3	59.6	41.8	54.7
1933	48.6	48.8	41.4	46.8
1934	66.0	70.7	59.1	63.9
1935	( <sup>6</sup> )	( <sup>6</sup> )	( <sup>6</sup> )	( <sup>6</sup> )
1936	97.6	106.9	94.7	101.3
1937	105.7	115.4	105.0	110.4
1938	102.7	112.4	93.3	106.4
1939	110.3	122.1	108.9	114.9
1940	121.1	135.6	115.2	125.0
1941 <sup>7</sup>	144.1	161.8	139.6	141.0
1942 <sup>7</sup>	191.4	216.6	192.9	181.9
1943:				
June	274.4	309.5	273.3	270.9

<sup>1</sup> Based upon data reported by member banks of the Federal Reserve System located in places of less than 15,000 population (1930 Census). Each deposit series is weighted, the deposits for each State having been given a weight equal to the proportion, in the base period, of that State's cash farm income to the total cash farm income of the group of States.

<sup>2</sup> Ark., Ga., Ill., Ind., Iowa, Kans., Mich., Minn., Miss., Mo., Nebr., N. Y., N. C., N. Dak., Ohio, Okla., Pa., S. Dak., Tex., and Wis.

<sup>3</sup> Ohio, Ind., Ill., Minn., Mo., Nebr., and Iowa.

<sup>4</sup> N. C., S. C., Ga., Ala., Miss., Ark., La., and Okla.

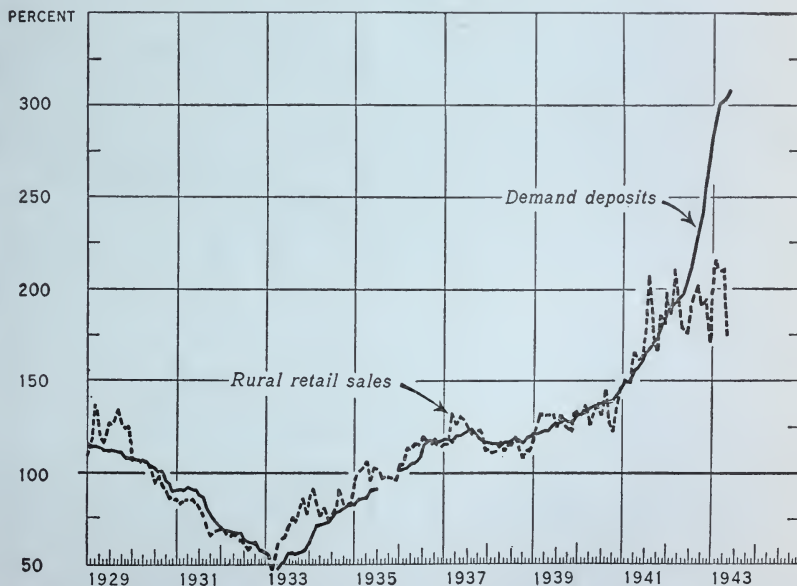
<sup>5</sup> Mont., Colo., Ariz., Idaho, Nev., N. Mex., Utah, and Wyoming.

<sup>6</sup> Five months of 1935 are unavailable.

<sup>7</sup> Beginning 1941, data have been adjusted for changes in places of less than 15,000 population resulting from reclassifications made in 1940 Census.

**DEMAND DEPOSITS AND RURAL RETAIL SALES, UNITED STATES, 1929-43**

INDEX NUMBERS (1929-31=100) ADJUSTED FOR SEASONAL VARIATION





them with reserves which will be essential in the post-war period. While net cash farm income is at a record level, a considerable portion of this income represents payments for the wearing out of capital equipment and other resources that under war-time conditions cannot be replaced because of priorities and restrictions on building. According to Bureau estimates, expenditures on buildings and machinery dropped from \$1,802,000,000 in 1941 to \$1,359,000,000 in 1942, a decrease of nearly \$450,000,000. Continued scarcity of farm machinery and building restrictions during the

war period will contribute to a further increase in the backlog of replacement demands that will have to be financed after the war is over. If farmers resist the temptation to utilize deposits in country banks for the unwise purchase of farm lands at inflated values, these deposits as such or through their investment in war bonds may be retained as reserves for re-equipping farms with machinery and buildings that have not been available for replacement during the war period.

NORMAN J. WALL,  
*Bureau of Agricultural Economics.*

## CROP PRODUCTION

**A**CREAGE in crops this year is the largest in 11 years, and yields per acre are expected to be "generally good," according to report by the United States Crop Reporting Board on the basis of July 1 conditions.

Total crop production in 1943 is forecast at about 114 percent of the 1923-32 average, compared with the very high level of 126 percent last year. The 1943 figures allow for crops not yet planted or not yet estimated and for normal losses from drought and other causes.

In most areas from Missouri, Iowa, and Minnesota, eastward to Pennsylvania, and New York, crops are late and prospects are less favorable than at this period in any of the last 5 years. Nonirrigated crops are also poor in the drought area in the Southwest. Elsewhere prospects range mostly from fair to good. Only nine scattered States, however, report crop conditions as good as at this time last year.

In spite of floods, a late spring, and the necessary disturbances of war, harvested acreage of the 52 principal field crops probably will be around 347 million acres, compared with 340 million last year and the 1932 peak of 362 million. Acreages of crops other than cotton may even exceed the pre-drought peak. Corn acre-

age has been increased 5 million acres, or more than 5 percent, above the acreage last year.

Total acreage in 7 "war crops" shows a gain of close to 5 million acres. Increases over 1942 include: flaxseed, 1,400,000 acres or 33 percent; soybeans, 1,200,000 acres or 8 percent; peanuts, 600,000 acres or 14 percent; beans, 600,000 acres or 29 percent; dry peas, 220,000 acres or 47 percent; potatoes, 650,000 acres or 24 percent; and sweetpotatoes, 220,000 acres or 30 percent. Other important acreage gains from 1942 include an increase of 9 percent for sorghums and 7 percent for tobacco. Acreages of cotton, barley, and rye were each reduced between 1 and 3 million acres, partly to make way for other crops. Acreage in sugar beets, influenced by shortage of labor and the competitive demand for other crops, was reduced 37 percent. Acreage in watermelons and cantaloups was reduced 31 percent and other vegetables grown for market were reduced about 4 percent.

**L**ARGE increases in acreages of certain crops will help boost their production above that of any past year. Bumper crops of dry beans, peas, peanuts, flaxseed, rice, potatoes, and sugarcane seem indicated. Large



crops of hay, soybeans, and barley are expected. Production of sorghums for grain may reach a near record, if there is enough rain to permit planting all the acreage planned. Wheat was helped by good rains in the northern part of the Belt and the forecast is 8 percent above expectations in June. Probable wheat production in 1943 is placed at 791,000,000 bushels, close to average production, except for the drought years, but far below the 981,000,000-bushel crop of last year.

Corn production is forecast to be 2,707,000,000 bushels. This total would be far below the 3,175,000,000 bushels harvested in 1942 but somewhat larger than other corn crops since 1932. The forecast of 1,242,000,000 bushels of oats indicates a large crop, though one still less than the very large crop of last year.

Aggregate tonnage of the 4 feed grains probably will be about 107 million tons, compared with nearly 124 million last year, 106 million in 1941, and usual production of 95 to 100 million tons.

Cotton acreage is slightly below 22 million acres, a cut of 5.6 percent from 1942 and the smallest acreage in more than 40 years. Prospects are that the tobacco crop will be about average at nearly 1.4 billion pounds.

ON July 1, wheat stocks on farms totaled 190,000,000 bushels, 16 percent more than on July 1, 1942, and double the holdings at the same season in any of the previous 15 years. Stocks of other grain on farms included some 813,000,000 bushels of corn and 236,000,000 bushels of oats. The total of feed grains was probably about 28.6 million tons, not much above average July stocks in the last 4 years. Assuming a 10 million-ton reduction in farm stocks by next July and a 107 million-ton production of feed grains this season, the quantity of these grains indicated to be used during the current 12-month period would be 117 million tons, or about 4 percent less than the farm disap-

pearance of feed grains during the past 12 months. At the same time, the number of livestock units has gained about 10 percent now since this time last year and is still increasing. As the season advances, prospects may change, but indications now are for a 12-month disappearance of 88 percent as much feed grain per unit of livestock as was used for all purposes last season, or about 93 percent as much as during the 5 previous feeding years since the droughts. A harvest no larger than now indicated would necessitate some changes in the rates of feeding and possibly some adjustments in either the numbers or weights of meat animals or poultry.

Hay and roughage supplies probably will be ample in the country as a whole, although local shortages may develop in parts of the West and Southwest. Taking account of hay supplies carried over and the prospective increase in the number of cattle, supplies of hay per unit of livestock will be nearly as large as during the last 5 years and larger than in other years since 1927.

CONDITION of western ranges was about equal on July 1 to the long-time average for the date. Prospects were good in the North but rain was needed in a large southwestern area that included New Mexico and Arizona and extended into adjoining States.

For peaches, pears, grapes, cherries, plums, prunes, and apricots, the total production in prospect for 1943 is 12 percent less than in 1942 and 6 percent below the 1932-41 average. Condition of commercial apples points to a decrease in the 1943 apple crop somewhat similar to the decline in aggregate production of the 7 crops for which forecasts have been made. Apricots, peaches, cherries, and pears will be in much smaller supply than in 1942 and considerably below average. Plum production in California and Michigan is about average. Prune production on the Pacific coast

and in Idaho is 10 percent larger than in 1942 but is a little below average. A large crop of grapes is in prospect.

Conditions remain favorable for an aggregate tonnage of citrus fruits from the bloom of 1943 which will start to market in November, about in line with the large production during the 1942-43 season (from bloom

of 1942). Prospects appear excellent for the new crops of oranges and lemons but not quite as good for grapefruit as in 1942-43. Condition of tangerines is materially below that of 1942.

JOSEPH A. BECKER,  
Chairman, U. S. Crop  
Reporting Board.

## FEED OUTLOOK

**T**HE 1943 feed grain supply, based on August 1 prospects, will be 19 percent larger than the average for the past 5 years and 33 percent larger than the average for the past 15 years. The prospective supply, however, is 7 percent smaller than the record supply last year, and about 15 percent smaller in relation to the expected number of grain-consuming livestock to be fed. Unless prospects for the 1943 corn crop improved further during the next 2 or 3 months, farmers in 1944 will have to reduce the quantity of feed concentrates fed per animal or reduce the number of livestock on their farms. Because of reduction in the feed supply the total output of livestock products may be smaller in 1944 than in 1943, but increased slaughtering of

livestock now on hand may maintain or increase supplies of meat available for lend-lease, military, and civilian consumption during the next year.

In the 1942-43 feeding year about 136 million tons of feed grains, including wheat and rye fed, were consumed in the United States. This consumption total was much larger than in any past year, and was more than one-third larger than the average of the past 5 years, or in the pre-drought 1928-32 period. Disappearance per grain-consuming animal unit on farms also was the largest on record and 13 percent larger than during the average for the past 5 years. During the 1942-43 marketing year, stocks of oats and barley were increased by about the quantity of those grains imported,

Supply and Disappearance of Feed Grains In Relation to Grain-Consuming Livestock, Averages 1928-32 and 1937-41, Annual 1939-43

Year beginning	Supply						Total supply	Grain-consuming animal units	Supply per animal unit	Domestic disappearance	Disappearance per animal unit
	Corn Oct. 1	Oats July 1	Barley June 1	Grain sorghum production	Wheat fed July-June	Rye fed July-June					
Average, 1928-32-----	<i>Mil. bu.</i> 2,717	<i>Mil. bu.</i> 1,374	<i>Mil. bu.</i> 299	<i>Mil. bu.</i> 61	<i>Mil. bu.</i> 114	<i>Mil. bu.</i> 13	<i>Mil. tons</i> 111.1	<i>Mil.</i> 138.3	<i>Tons</i> 0.80	<i>Mil. tons</i> 100.4	<i>Tons</i> 0.73
Average, 1937-41-----	3,051	1,303	335	77	121	18	120.6	132.6	.91	99.1	.75
1939-----	3,165	1,154	336	53	105	18	120.3	138.5	.87	96.1	.69
1940-----	3,150	1,394	367	83	109	16	125.4	133.4	.94	101.9	.76
1941-----	3,321	1,404	432	112	109	21	132.8	143.1	.93	113.3	.79
1942-----	3,668	<sup>1</sup> 1,598	<sup>1</sup> 527	107	309	27	<sup>1</sup> 154.9	158.9	.97	135.8	.85
1943 <sup>2</sup> -----	3,275	<sup>1</sup> 1,484	<sup>1</sup> 473	124	<sup>1</sup> 400	40	<sup>1</sup> 143.4	175.0	.82	135.0	.77

<sup>1</sup> Includes imports.

<sup>2</sup> Preliminary forecast.

which indicates that about 1,360 million bushels of oats and 421 million bushels of barley were used in the United States, in each case the largest in 15 years. Stocks of corn by next October probably will be reduced nearly 100 million bushels, or down to about 400 million bushels from a year earlier. This would mean that about 100 million bushels more than the record corn crop of 3,175 million bushels were used in this country during the marketing year ending September 30. In addition, farmers fed about 309 million bushels of wheat, 27 million bushels of rye, and over 70 million bushels of imported oats and barley.

Commodity Credit Corporation is now selling feed wheat under congressional authorization at prices ranging in July from \$1.05 to \$1.12 per bushel. On July 1, 205 million bushels of wheat were owned outright by the Corporation and an additional 122 million bushels were under seal for loans. The quantity of wheat sold by the CCC for feed in 1943-44 may be smaller than the 275 million bushels sold during 1942-43. But with smaller feed grain supplies in prospect, the quantity of wheat fed on the farms of wheat growers may be somewhat larger than the 100 million bushels these growers fed in 1942-43.

ANOTHER large hay supply is in prospect this year, as a result of favorable weather in most parts of the country. Indicated production of tame and wild hay combined on August 1 was 99 million tons, compared with 105 million tons last year and with the 1937-41 average of 90 million tons. Carry-over of hay this year was 13 million tons, 2 million tons larger than last year, making a total supply of 112 million tons for 1943-44. This total is only 4 percent smaller than that of last year, and the second largest supply in 25 years.

Pastures on July 1 were in the best condition since 1927, with the exception of conditions July 1 last year. Ample moisture and warm weather caused much improvement in pastures in the North Central States during June. For the country as a whole, the condition of pastures declined seasonally during July and on August 1 it was 82 percent of normal, or 5 points lower than on August 1, 1942.

On the basis of August 1 crop prospects, assuming that about 400 million bushels of wheat will be fed during the fiscal year, and with a rough allowance of imports of grain for feeding from Canada, the supply of feed grains for 1943-44 will total 143 million tons. This is about 7 percent smaller than the supply in 1942-43.

Supply of Protein Feeds Available for Livestock Feeding, and Quantities Per Animal Unit, 1937-41

Year beginning October	Four oil meals <sup>1</sup>	Animal proteins <sup>2</sup>	Miscel- laneous proteins <sup>3</sup>	Total, oil meal equiv- alent	Animal units <sup>4</sup>	Supply per animal unit
	1,000 tons	1,000 tons	1,000 tons	1,000 tons	Millions	Pounds
Average 1937-41.....	3,953	2,630	1,146	8,151	116.1	140
1940.....	4,438	2,781	1,256	8,924	117.3	152
1941.....	4,748	2,521	1,548	9,092	127.4	143
1942.....	6,115	2,520	1,580	10,487	143.7	146
1943 <sup>5</sup> .....	6,250	2,530	1,670	10,700	160.0	134

<sup>1</sup> Stocks of cottonseed meal and peanut meal Oct. 1, plus October-September production and net imports of 4 oil cakes and meals, excluding cottonseed cake and meal used for fertilizer on the farms of cotton growers.

<sup>2</sup> Calendar year following, tankage, meat scraps, fish meal, skim milk, and milk products.

<sup>3</sup> Gluten feed and meal, brewers' dried grains, distillers' dried grains, and copra meal.

<sup>4</sup> Grain-consuming animal units excluding horses and mules.

<sup>5</sup> Preliminary forecast.



With the present upward trend in numbers of grain-consuming livestock, the number of grain-consuming animal units on farms next January 1 may be nearly 10 percent larger than on last January 1. In this event, the supply of feed per grain-consuming animal unit would be about 15 percent smaller than in 1942-43, 10 percent below the average of the past 5 years, but slightly larger per animal than the average in the pre-drought period 1928-32.

With livestock numbers increasing, it is reasonable to expect that practically all of the 1943 feed grain supply will be consumed during the coming marketing year, leaving only a minimum carry-over in 1944. Carry-over of oats and corn may not be above 150 million bushels each in 1944, and the barley carry-over may be below 50 million bushels. The total of these would allow disappearance of 137 million tons of feed grains in 1943-44, about the same as the record disappearance of 1942-43, and more than one-third larger than the average disappearance of the past 5 years. Disappearance this large would be slightly larger than the average for the past 5 years in relation to livestock numbers, but about 10 percent smaller than in 1942-43.

**Q**UANTITY of wheat to be fed in 1943-44 will depend largely on three factors: (1) The size of the 1943

crop; (2) The point to which stocks of domestic wheat can be safely reduced; and (3) The quantity of wheat that can be imported from Canada.

If stocks of wheat in this country are reduced to about 250 million bushels by next July 1, about 400 million bushels of wheat could be fed during the 1943-44 marketing year.

Total supply of principal protein feeds, converted to a common base, is expected to be about 8 percent smaller in 1943-44 than in 1942-43, in relation to livestock on farms. This statement assumes that the numbers of livestock consuming these feeds will be about 10 percent larger next January 1 than last. Production of oilcake and meal is expected to be somewhat larger in 1943-44 than in 1942-43, and even after allowing for more soybean meal used for food, a little larger supply is expected to be available for feed. Production of tankage and meat scraps may be larger than for the present year if livestock slaughter increases, but supplies of milk products available for feeding may be smaller. Protein feed may be reduced about as much as the decrease in feed grains fed to livestock, so that all feed consumed by livestock in 1943-44 may contain about the same percentage of protein as in 1942-43.

MALCOLM CLOUGH,  
*Bureau of Agricultural Economics.*

## U. S. CROP CORPS

**F**ARMERS are receiving material aid in meeting their farm labor needs this year from the U. S. Crop Corps, an organization of volunteer farm workers operated by the War Food Administration, largely under the supervision of the U. S. Extension Service. Intensive local mobilization campaigns have been carried on by the Extension Service.

Housewives, business and professional men and women, high school boys and girls—people from many

walks of life unconnected with farming—are devoting all or part of their energies this season toward helping with the cultivation, harvesting, and processing of 1943 food crops. Nearly half a million had been placed on July 1. About 70,000 Mexicans, Jamaicans, and Bahamians have entered or will enter the country for a limited period to help speed the work along. These people who do not ordinarily engage in farm work are members of the U. S. Crop Corps. Prisoners of war also



work on farms in some areas, although need for transporting and guarding them presents difficulties that limit their general usefulness.

Part-time workers do not of course have to meet specific requirements of any sort to enlist in the Crop Corps, but definite requirements have been established for applicants for membership in the Women's Land Army and the Victory Farm Volunteers, two important sections of the Crop Corps, and for foreign workers. Women who join the Land Army must be at least 18 years of age, must prove their physical fitness with a doctor's certificate, and must agree to work for at least 1 month. Boys and girls of the Victory Farm Volunteers must be at least 14 years of age. Workers coming into the country from the Caribbean area are given physical examinations as rigorous as those given at Ellis Island.

**A**LTHOUGH funds for the emergency farm labor program (\$26,100,000) are administered by the War Food Administration, recruitment and placement is done under the supervision of the county agricultural agents of the Extension Service. They are assisted in recruiting workers by the United States Employment Service and by other Federal and State agencies and private organizations. More than 6,000 county and community placement centers have been established, and this additional work has necessitated the appointment of about 7,000 special labor assistants to help expedite operations. Most of them will be on a per-diem or part-time basis. Neighborhood leaders assisting the Extension Service have made farm to farm contacts ascertaining labor needs, and encouraging exchange of labor and labor saving machinery. Block leaders appointed by the Office of Civilian Defense have devoted time to surveying the availability of farm labor so that when the need arises there is already on hand a

reliable estimate of the number of people willing to donate some of their time to food production. Many schools and organizations such as the Kiwanis and Rotary Clubs, American Women's Voluntary Services, American Legion, American Federation of Women's Clubs, Chambers of Commerce and others, have also lent a hand in the recruitment of emergency farm workers.

Various publicity devices have been utilized to bring to public attention the pressing need for extra farm labor—slides in motion-picture theaters, announcements over local radio stations and in local newspapers and store windows, and similar information techniques have been employed. In one town, for example, a sound truck was sent through the streets to petition the aid of the townsfolk in saving a local crop. A truck following behind carried volunteers to the fields.

**S**PEED is of utmost importance in handling requests for emergency farm labor. According to one Tennessee farmer, a good part of his 150 acres of peas undoubtedly would have been lost had it not been for the rapidity with which the county agent supplied 17 U. S. Crop Corps men to help with the harvest. Many other crops have similarly been saved—apples in Wisconsin, strawberries in Tennessee and Missouri, oats in Texas, to mention only a few instances. Likewise, the promptness with which emergency workers went to the assistance of farmers in the Midwest when spring floods threatened serious disruption of agricultural production in that area is another striking example of the efficiency of the Crop Corps.

In addition to being provided with workers, farmers are given aid in their direction by supervisors assisting the county agent. Salaries of these supervisors are paid from the federal farm labor funds, allocated to the State Extension Service. Wages of workers themselves, however, are paid by farmers, and are the same as prevail-

ing wages in the area for a given type of work.

Where workers cannot travel to and from home every day, camps have been set up to provide living accommodations.

When a worker is placed on a farm or food-processing job he becomes a member of the Crop Corps, and is eligible for a certificate testifying to his "patriotic service on a farm or in a food-processing factory." These certificates are signed by the War Food Administrator, the Chairman of the War Manpower Commission, and the State Extension Director.

Formal training is not provided emergency workers since their tasks are fairly simple and can be learned quickly on the job—such as fruit and vegetable picking, cotton-chopping, beet-thinning, weeding and hoeing. Special training is provided, however, for year-round members of the Women's Land Army, and for boys and girls of the Victory Farm Volunteers.

Land Army women who plan to work on a full-time basis are expected to take from 3 to 6 weeks' training in a state agricultural college or other agricultural school selected for such training. Activities studied include dairy and poultry work, truck farming, horticulture, bee keeping, or other aspects of farming typical of the area in which they are specifically interested, as well as the use of farm machinery and tools. Women who are enrolled for seasonal work only, take a short preliminary course or learn on the job.

Contrary to practice in Great Britain, women in the Land Army can also relieve farm women of general household duties, food preservation, and child care, in order that farm women already versed in farm work may devote their time to that. Training WLA members in farm home work is done on the job by farm women.

Although the Women's Land Army is a new movement in America, it is already a proven success in other countries of the United Nations. Last summer many women worked on

farms. The marked success of these efforts encouraged further development and enlargement of this activity. Another encouraging factor was the successful operation of similar programs in other countries, notably Canada, Australia, and Great Britain. In the case of Great Britain, where the program has been in effect since 1939, the growing importance of its contribution can be measured by the fact that while in December 1939 only 2,800 of the 15,000 volunteers were employed, some 52,000 members of the Land Army were at work in September 1942.

SINCE the U. S. Crop Corps program was unable to get into full swing until late in the spring, emphasis is being placed at the moment on getting the present food production job done as quickly and efficiently as possible. For that reason, the WLA is now devoting most of its efforts to emergency farm work. When the peak harvest season is at an end, it is expected that increased attention will be given to the training and placement of women farm workers on a year-round basis.

Thousands of boys and girls are seizing the opportunity afforded them by the U. S. Crop Corps to perform useful, healthful, and patriotic service out-of-doors, and to broaden their general knowledge by learning something of life on a farm. Many of these Victory Farm Volunteers live on the farm with the farm family, and do work of a general nature; others perform specialized work such as cultivating and harvesting fruits and vegetables, and live at home or in camps provided by the Government.

These young workers receive prevailing wages based on the amount and type of work done. In common with other members of the Crop Corps, Victory Farm Volunteers are expected to pay their own expenses, although in some instances farmers furnish transportation and room and board as part of their pay.

IN ORDER to secure some farm experience in preparation for their entry into the ranks of the VFV, many high school students spent several weekends last spring on farms. They also attended lectures given by leading farmers, agricultural agents, vocational teachers and others on various aspects of agriculture and agriculture's war effort.

Supervision of these boys and girls includes regular visits to those living on farms by the county labor assistants of the Extension Service. Camp supervisors have been hired to direct camp activities, and other supervisors direct special work crews. In their spare time, VFV members have opportunities to take part in recreational activities sponsored by such groups as the local 4-H Club, local chapters of

the Future Farmers of America, and churches.

The Extension Farm Labor program is now operating in 2,871 counties, and is already well toward its goal of 3,500,000 Crop Corps members. On July 1 almost 500,000 placements had been made; 400,000 were intrastate, and 90,000 were interstate or foreign. Distribution was about as follows: 147,000 in the 13 Southern States, 132,000 in 12 North Central States, 91,000 in the 11 Western States, and 30,000 in the 12 Northeastern States. An increasingly large demand for farm workers from now on until the end of the harvest season is expected to result in achievement of the goal.

CATHERINE CARMODY,  
*Bureau of Agricultural Economics.*

## FARM MACHINE WORK

BECAUSE farm machines constitute a key to the productive ability of American farmers, these machines are important elements in the Nation's wartime food production program.

For years, farmers have been adding more power machines and complementary equipment to their productive facilities. Purchases of tractors and tractor equipment were of record proportion in 1941, and the 1940 and 1942 purchases were also large. These machines have already contributed toward expanding agricultural production and without them a much greater labor force would be needed.

Although only about 1.8 million farmers, or about 30 percent, own tractors, the proportion of total field work performed with tractors greatly exceeds this figure, since the tractor farms are much larger than the average of all farms. Also, many farmers who do not own tractors either hire tractors and tractor equipment, or exchange labor and equipment for tractor work.

In 1939, when there were 25 percent fewer tractors than at the present time, almost 70 percent of the harvesting of

all small grains and more than 55 percent of the plowing and disking of land was done with tractor machines. Then only about 25 percent of the light jobs, such as cultivating, planting of corn and cotton, and mowing was done with tractor machines. The increase in tractor work since 1939 has probably been more marked for light duty jobs than for heavy jobs, because purchases of light duty machines have increased greatly while the increase in numbers of heavy duty machines has about kept pace with the increase in tractor numbers.

The upward trend in numbers of tractors and tractor machines has been temporarily halted in 1943, for production of farm machinery and equipment this year is expected to be not more than 40 percent of 1940 production.

THE tentative program for 1944 calls for at least double the 1943 production. Numbers of tractors and tractor machines available for use in 1944 seem certain to be of record proportions. Most numerous will be the harvest machines, such as combines,



corn pickers, hay loaders, windrow pick-up balers, etc. Production of these important machines was relatively high in 1942 and 1943 and supplies of them on farms in 1944 will be relatively large.

Balanced against the increase in tractors and tractor machines will be a continued decrease in numbers of work animals and animal-drawn machines. The number of work animals in 1944 will not only be the smallest in many years, but a relatively high proportion of the animals will be too old for maximum work. Additional machine power will be needed to offset the loss of animal power and to achieve the necessary production. Additional labor-saving machines will be needed

because the farm labor supply will be small in relation to the job to be done and because the physical capacity of the labor force will be below that of past years.

The spread of tractor power has increased greatly the speed of performing field work. Greater speed has been gained largely by increases in the size of farm power units. Small machines operated with animal power have been replaced with much larger machines operated with tractor power. For example, the sulky plow and the two-horse walking plow have been replaced with tractor gang plows and the one-row riding cultivator has been replaced with tractor cultivators of two-row size and larger. It is, of course, im-

### Number, Size, and Amount of Work Performed, Specified Farm Machines, United States

Kind and type of machine	Machines on farms Jan. 1, 1942		Average time used in 1941	Amount of work performed with machines	
				In 10-hour day	Total for 1941
Moldboard plows:	<i>Thousands</i>	<i>Average size</i>	<i>Hours</i>	<i>Acres</i>	<i>Acres</i>
Tractor.....	1,461.2	(1)	(1)	8.0	(1)
Horse riding.....	1,041.0	(1)	(1)	2.9	(1)
1-horse walking.....	2,549.5	(1)	(1)	.9	(1)
Disk plow:					
Tractor.....	166.4	(1)	(1)	9.8	(1)
Horse.....	83.7	(1)	(1)	3.9	(1)
Disk harrows:					
Tractor.....	1,181.4	(1)	(1)	21.7	(1)
Horse.....	1,332.8	(1)	(1)	8.1	(1)
Row crop planters:		<i>Rows</i>			
Tractor.....	204.3	2.5	77	20.8	160
2 horses and more.....	1,705.5	2.0	40	11.5	46
1-horse.....	1,745.6	1.0	50	5.5	28
Mowers:		<i>Feet</i>			
Tractor.....	313.6	6.6	78	19.7	154
Horse.....	2,565.0	5.2	63	8.5	54
Grain drills:					
Tractor.....	422.3	10.4	79	25.5	201
Horse.....	1,289.8	7.2	44	10.1	44
Grain binders:					
Tractor.....	366.1	8.6	55	18.2	100
Horse.....	1,018.6	6.9	34	10.8	37
Combines.....	264.3	8.8	125	18.8	235
Corn pickers.....	129.9	<i>Rows</i> 1.6	105	9.6	101
Hay balers:				<i>Tons</i>	<i>Tons</i>
Windrow pick-up.....	25.0	(1)	176	19.0	334
Stationary power.....	60.6	(1)	135	18.0	243
Stationary horse.....	62.8	(1)	80	6.0	48
Cream separators.....	1,748.0	<i>Pounds per hour</i> 633	139	(1)	(1)
Milking machines.....	253.1	<i>Units</i> 2.2	684	(1)	(1)

<sup>1</sup> Information not available.

The above material was adapted from B. A. E. report F. M. 42 Work Performed with Principal Farm Machines. Data for other machines as well as information concerning variation in use of machines, regional aspects of machine performance and influence of age of machines is available in this report which is based on information obtained from more than 27,000 Crop Correspondents in February 1942.

possible to picture the savings thus effected in farm labor on a particular farm, as there are wide variations in the kinds of animal-drawn equipment originally used and in the size of tractor tools now being used. However, some measure of the savings for the country as a whole can be obtained from table 1. Many farm machines require a one-man crew for their operation. Thus the amount of work performed in the same amount of time, represents for many machines their effectiveness as labor savers. A tractor-moldboard plow on the average does as much per day as can be done with a one-horse walking plow in 9 days or with a horse-drawn riding plow in 3 days.

The data in table 1 relative to machine performance are for the country as a whole. There are wide variations in machine performance in different parts of the country. In the more level areas where the farms are large, the acreage covered or work done per day per machine is much higher than the national average. Most of this difference is due to the use of larger machines, although, according to the size of machine, more work is performed in the Great Plains than in other parts of the country. Rate of performing work with most machines is below average in the States along the Atlantic Seaboard where the fields are of relatively small size, irregular shape, and often of hilly topography.

The amount of work performed with a machine is influenced by the annual use of the machine as well as by the amount of work done in a day. The machines that are used most are the machines used daily, rather frequently throughout the year, or used considerably for custom work. Milking machines and cream separators are commonly used each day of the year, and the annual use of milking machines is much higher than for other farm machines. Annual use of windrow

pick-up balers, combines, and threshers, all of which are used for custom work, is relatively high.

OF COURSE, factors other than power influence the annual use of machines. For all types of machines, annual use declines with increased age. This probably reflects the tendency of the farmers with large acreage to keep their farms equipped with relatively new equipment. When much work is to be performed, newer machines that can be operated with a minimum loss of time are almost essential. With small acreage, older machines can be used, as loss of time for repairs is not so objectionable.

Regional aspects also have a bearing on annual use of machines. For the great bulk of machines, their use is confined to farms on which they are owned. This tendency toward individual ownership of machines is due in part to the fact that farmers are reluctant to rent their machines, especially the more complicated ones, because of risk of damage. At the present time, with machines and parts difficult to obtain, farmers may be even less inclined than usual to rent their machines unless they can obtain in exchange, labor, power, other machine work, or equipment badly needed on their own farms.

In order to hire the use of a machine, a farmer often must hire the operator as well. Farmers who depend on hired machines often lag in their farming operations. For most crops there is a right time to plant and a right time to harvest. The proper timing of farm work can contribute toward war demands for increased food production. The great bulk of American farmers are apparently of the opinion that proper timing is best assured when they have under their direct control the labor, the power, and the tools with which to do the job.

A. P. BRODELL,  
*Bureau of Agricultural Economics.*

# Economic Trends Affecting Agriculture

Year and month	Industrial production (1935-39 = 100) <sup>1</sup>	Income of industrial workers (1935-39 = 100) <sup>2</sup>	Cost of living (1935-39 = 100) <sup>3</sup>	1910-14 = 100					
				Wholesale prices of all commodities <sup>4</sup>	Prices paid by farmers for commodities used in—			Prices paid, interest and taxes <sup>5</sup>	Farm wage rates
					Living	Production	Living and production		
1925.....	90	126	125	151	163	147	156	169	176
1926.....	96	131	126	146	162	146	155	168	179
1927.....	95	127	124	139	160	144	153	166	179
1928.....	99	126	123	141	160	148	155	168	179
1929.....	110	134	122	139	159	147	154	167	180
1930.....	91	110	119	126	150	141	146	160	167
1931.....	75	84	109	107	128	123	126	142	130
1932.....	58	58	98	95	108	109	108	124	96
1933.....	69	61	92	96	108	108	108	120	85
1934.....	75	76	96	109	122	123	122	129	95
1935.....	87	86	98	117	124	127	125	130	103
1936.....	103	100	99	118	123	125	124	128	111
1937.....	113	117	103	126	128	136	131	134	126
1938.....	89	91	101	115	122	125	123	127	125
1939.....	108	105	99	113	120	122	121	125	123
1940.....	123	119	100	115	121	124	122	126	126
1941.....	156	169	105	127	131	131	131	133	154
1942.....	181	238	116	144	154	149	152	151	201
1942—May.....	174	<sup>5</sup> 227	116	144	153	150	152	151	-----
1942—June.....	176	234	116	144	154	150	152	151	183
1942—July.....	178	<sup>5</sup> 240	117	144	<sup>5</sup> 155	150	<sup>5</sup> 153	152	202
1943—May.....	203	302	125	152	<sup>5</sup> 170	162	<sup>5</sup> 167	163	-----
1943—June.....	201	305	125	152	<sup>5</sup> 171	<sup>5</sup> 163	<sup>5</sup> 168	164	251
1943—July.....	-----	-----	124	-----	172	164	169	165	-----

Year and month	Index of prices received by farmers (August 1909-July 1914=100)								Ratio, prices received to prices paid, interest and taxes <sup>5</sup>
	Grains	Cotton and cotton-seed	Fruits	Truck crops	Meat animals	Dairy products	Chickens and eggs	All groups	
1925.....	157	177	172	153	141	153	163	156	92
1926.....	131	122	138	143	147	152	159	145	86
1927.....	128	128	144	121	140	155	144	139	84
1928.....	130	152	176	159	151	158	153	149	89
1929.....	120	144	141	149	156	157	162	146	87
1930.....	100	102	162	140	134	137	129	126	79
1931.....	63	63	98	117	92	108	100	87	61
1932.....	44	47	82	102	63	83	82	65	52
1933.....	62	64	74	105	60	82	75	70	59
1934.....	93	99	100	103	68	95	89	90	70
1935.....	103	101	91	125	117	108	117	108	83
1936.....	108	100	100	111	119	119	115	114	89
1937.....	126	95	122	123	132	124	111	121	90
1938.....	74	70	73	101	114	109	108	95	75
1939.....	72	73	77	105	110	104	94	92	74
1940.....	85	81	79	114	108	113	96	98	78
1941.....	96	113	92	144	144	131	122	122	92
1942.....	119	155	125	199	189	152	151	157	104
1942—May.....	120	159	131	152	189	143	154	152	101
1942—June.....	116	153	148	169	191	141	137	151	100
1942—July.....	115	155	131	200	193	144	145	154	101
1943—May.....	148	167	212	253	214	179	175	187	115
1943—June.....	151	166	234	308	211	178	179	190	116
1943—July.....	154	163	230	315	206	178	183	188	114

<sup>1</sup> Federal Reserve Board, adjusted for seasonal variation. Revised September 1941.

<sup>2</sup> Total income, adjusted for seasonal variation. Revised March 1943.

<sup>3</sup> Bureau of Labor Statistics.

<sup>4</sup> Bureau of Labor Statistics index with 1926=100, divided by its 1910-14 average of 68.5.

<sup>5</sup> Revised.

NOTE.—The index numbers of industrial production and of industrial workers' income shown above are not comparable in several respects. The production index includes only mining and manufacturing; the income index also includes transportation. The production index is intended to measure volume, whereas the income index is affected by wage rates as well as by time worked. There is usually a time lag between changes in volume of production and workers' income, since output can be increased or decreased to some extent without much change in the number of workers.